

Notes to the Financial Statements (continued)

29. Related party disclosures (continued)

Transactions involving our jointly controlled and associated entities (continued)

(a) We sold and purchased goods and services, and received interest from our jointly controlled and associated entities. These transactions were in the ordinary course of business and on normal commercial terms and conditions.

Details of our individual significant transactions involving our jointly controlled and associated entities during fiscal 2012 are detailed as follows:

- we purchased pay television services amounting to \$649 million (2011: \$640 million) from our jointly controlled entity FOXTEL. The purchases were to enable the resale of FOXTEL services, including pay television content, to our existing customers as part of our ongoing product bundling initiatives. In addition, we made sales to FOXTEL for our cost recoveries of \$118 million (2011: \$102 million); and
- purchases were made by the Telstra Group of \$79 million (2011: \$233 million) from our jointly controlled entity Reach Ltd (Reach) in line with market prices. These were for the purchase of, and entitlement to, capacity and connectivity services.

(b) A \$108 million (2011: \$70 million) distribution was received from our jointly controlled entity FOXTEL during the year.

(c) Loans provided to jointly controlled and associated entities relate to loans provided to Reach of \$5 million (2011: \$5 million), the 3GIS Partnership (3GIS) of \$32 million (2011: \$35 million) and FOXTEL Partnership of \$443 million (2011: nil).

In April 2012, Telstra Corporation Limited provided a loan to FOXTEL Partnership to fund the acquisition of shares in Austar. The loan is interest bearing and it has a minimum term of just over 10 years and a maximum of 15 years.

The loan provided to Reach is an interest free loan and repayable upon the giving of twelve months notice by both PCCW Limited and us. We have fully provided for the non-recoverability of the loan as we do not consider that Reach is in a position to be able to repay the loan amount in the medium term.

The loan provided to 3GIS represents interest free funding for operational expenditure purposes. In accordance with the partnership agreement, the loan is repayable on dissolution of the partnership. Telstra and Vodafone Hutchison Australia will conclude their joint venture agreement for the 3GIS network on 31 August 2012. Refer to note 26 for further details.

Transactions involving other related entities

Post employment benefits

As at 30 June 2012, the Telstra Superannuation Scheme (Telstra Super) owned 38,383,958 shares in Telstra Corporation Limited (2011: 42,589,721) at a cost of \$118 million (2011: \$130 million) and a market value of \$142 million (2011: \$123 million). All of these shares were fully paid at 30 June 2012. In fiscal 2012, we paid dividends to Telstra Super of \$13 million (2011: \$10 million). We own 100% of the equity of Telstra Super Pty Ltd, the trustee of Telstra Super.

Telstra Super also held bonds issued by Telstra Corporation Limited. These bonds had a cost of \$11 million (2011: \$4 million) and a market value of \$11 million (2011: \$10 million) at 30 June 2012.

All purchases and sales of Telstra shares and bonds by Telstra Super are determined by the trustee and/or its investment managers on behalf of the members of Telstra Super.

Key management personnel (KMP)

For details regarding our KMP's remuneration and interests in Telstra, as well as other related party transactions, refer to note 28.